



**County Executive Office**  
**Memorandum**

**December 8, 2011**

**To:** Darlene Bloom, Clerk of the Board  
**From:** Thomas G. Mark, County Executive Officer  
**Subject:** Exception to the Rule 21

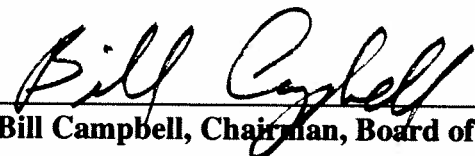
RECEIVED  
2011 DEC -8 PM 3:17  
CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

**The County Executive Office is requesting a supplemental for the December 13, 2011 Board Hearing Meeting.** #541G

**Agency:** Clerk-Recorder  
**Subject:** Maintenance with SouthTech Systems  
**District:** All

**Reason for supplemental: Renewal of Maintenance Agreement**

**Concur:**

  
Bill Campbell, Chairman, Board of Supervisors

**cc:** Rob Richardson, Assistant County Executive Officer



## Supplemental Agenda AGENDA STAFF REPORT

5416

**MEETING DATE:** 12/13/11

**LEGAL ENTITY TAKING ACTION:** Board of Supervisors

**BOARD OF SUPERVISORS DISTRICT(S):** All Districts *gex*

**SUBMITTING AGENCY/DEPARTMENT:** Clerk-Recorder

**DEPARTMENT CONTACT PERSON(S):** Tom Daly (714) 834-2248  
*[Signature]* Renee Ramirez (714) 834-2150

RECEIVED  
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 CLERK OF THE BOARD  
 OF SUPERVISORS  
 ORANGE COUNTY

**SUBJECT:** Multi-County Maintenance Agreement with SouthTech Systems

CEO CONCUR

COUNTY COUNSEL REVIEW

CLERK OF THE BOARD  
 Discussion Calendar  
 3 Votes Board Majority

*LRP*

**Budgeted:** Yes

**Current Year Cost:** \$55,000

**Annual Cost:** N/A

**Staffing Impact:** No

**# of Positions:**

**Sole Source:** Yes

**Current Fiscal Year Revenue:** N/A

**Funding Source:** N/A

**Prior Board Action:** N/A

### RECOMMENDED ACTION(S):

Authorize the purchasing agent or designee to issue and execute a retroactive price agreement with SouthTech Systems, Inc. to provide per-hour services as specified for the SECURE multi-county Electronic Document Delivery System for two years, retroactive to Dec. 2, 2011, through Dec. 31, 2013, in an amount not to exceed \$55,000.

### SUMMARY:

The Orange County Clerk-Recorder Department requests authorization for the purchasing agent or designee to issue and execute a time-and-materials agreement with SouthTech Systems Inc. to provide per-hour maintenance services as needed for an amount not to exceed \$55,000. This contract will extend to Dec. 31, 2013, and will provide overlap for the transition of SECURE maintenance services to the Los Angeles County Clerk-Recorder Department. Three-quarters of the total cost is to be reimbursed.

### BACKGROUND INFORMATION:

On Feb. 5, 2008, the Board of Supervisors authorized the Clerk-Recorder to purchase ownership rights to an electronic document delivery system from SouthTech Systems Inc., which became known as

SECURE. This purchase also included a two-year maintenance agreement that expired on Dec. 1, 2011. Additionally, the Board authorized the Clerk-Recorder to enter into a Memorandum of Understanding with the counties of Orange, Los Angeles, Riverside and San Diego to share in the ownership and ongoing maintenance of the electronic document delivery system.

The goal of SECURE's owner counties has always been for one of the owner counties to take over day-to-day software maintenance of the system after Dec. 1, 2011. The SECURE owners agree this task would best be handled by the Los Angeles County Recorder Department. Los Angeles County has the resources needed for this task; however, they need a transitional overlap period to ensure minimal problems and avoid downtime.

This time-and-materials agreement through Dec. 31, 2013, will allow SouthTech to provide maintenance services as needed and to complete knowledge transfer of requirements and issues for the SECURE system to the Los Angeles County Recorder Department. Orange County will continue to host the software at the Orange County Data Center.

Los Angeles County expects to take over maintenance of the SECURE system after April 2012 and will be assisted by SouthTech as needed through the term of this agreement. The Clerk-Recorder Department will return to your Board with further details of the Los Angeles County agreement early next year after it has been finalized by SECURE's owners.

SouthTech has an intimate understanding of the SECURE system as co-developer of the SECURE software. The vendor's knowledge makes it uniquely suited to handle maintenance issues and knowledge transfer in the most timely and cost-effective manner. Though Orange County CEO-IT resources (and those of the Orange County Clerk-Recorder Department) also were used in the development of the software, Chief Information Officer Mahesh Patel concurs that SouthTech has the most expertise and knowledge of the system to provide this service. SouthTech can provide expertise at a cost that would be far less than starting from scratch with a new, and less knowledgeable, vendor.

The cost of this agreement will be borne equally by the four county owners of SECURE. Orange County will front the total cost (not to exceed \$55,000) but will be reimbursed by the other three owner counties for three-quarters of the total (not to exceed \$41,250). Orange County's remaining cost will be an amount not to exceed \$13,750.

#### **FINANCIAL IMPACT:**

Funding for this project has been budgeted from the Clerk-Recorder Special Revenue Fund 12D, which dedicates funds for modernization per Government Code section 27361.

#### **STAFFING IMPACT:**

N/A

#### **EXHIBIT(S):**

Sole Source Justification

Price Agreement for Time and Materials SECURE Software Maintenance



## SOLE SOURCE/PROPRIETARY REQUEST

### COUNTY POLICY ON SOLE SOURCE CONTRACTS:

*It is the policy of the County of Orange to solicit competitive bids and proposals for its procurement requirements. Sole source procurement shall not be used unless there is clear and convincing evidence that only one source exists to fulfill the County's requirements. All sole source purchases requiring Board of Supervisors approval shall be justified as meeting the sole source standard in the Agenda Staff Report. The Agenda Staff Report shall clearly state that it is a sole source procurement. The Sole Source Justification, as described below, shall be attached to or included within the Agenda Staff Report (CPM, Section 4.4)*

### SECTION I - INSTRUCTIONS FOR COMPLETING THIS FORM:

1. Formal justification is required for sole source procurements when competitive bid guidelines require pricing from competing firms.
2. A written justification will be prepared by the department and approved by the department head or designee.
3. Prior to execution of a contract, the County Purchasing Agent or designee shall approve ALL sole source requests for commodities that exceed \$500,000 and services exceeding \$50,000 or a two (2) year consecutive term, regardless of the contract amount.
4. Board approval is required for all sole source contracts for commodities that exceed \$500,000 and services exceeding \$50,000 or a two (2) year consecutive term, regardless of the contract amount.
5. The Deputy Purchasing Agent (DPA) shall retain a copy of the justification as part of the contract file.
6. Valid sole source requests contain strong technological and/or programmatic justifications.
7. Sole source procurements may be approved based upon emergency situations in which there is not adequate time for competitive bidding.
8. Sole source requests for Human Service contracts will be guided by the regulations of the funding source.
9. Each question in Section III of this form must be answered in detail and signed by the department head with concurrence of the Deputy Purchasing Agent.

### SECTION II - DEPARTMENT INFORMATION:

Department: <div style="text-align: center;">Clerk-Recorder</div>		Date: <div style="text-align: center;">Nov. 18, 2011</div>	
Vendor Name: <div style="text-align: center;">SouthTech Systems Inc.</div>		Sole Source BidSync Number:	
Amount: <div style="text-align: center;">\$55,000 (not to exceed)</div>	Is Agreement Grant Funded? <div style="text-align: center;"><input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</div>	Proprietary? <div style="text-align: center;"><input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No</div>	
Type of Request: <div style="text-align: center;"><input checked="" type="checkbox"/> New    <input type="checkbox"/> Renewal    <input checked="" type="checkbox"/> Multi Year    <input type="checkbox"/> Amendment    <input type="checkbox"/> Increase</div>			
Board Date: <div style="text-align: center;">Dec. 13, 2011</div>	ASR Number:	If not scheduled to go to the Board explain why?	
Does Contract Include Non-Standard Language? If yes, explain in detail.			
Was Contract Approved by Risk Mgmt?		Was Contract Approved by CoCo?	
Were any exceptions taken? If yes, explain in detail.			

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**SECTION III - SOLE SOURCE JUSTIFICATION:**

1. **Provide a description of the type of contract to be established** *(For example: is the contract a commodity, service, human service, public works, or other-please explain).*

Professional services in the form of a time-and-materials agreement with SouthTech Systems Inc. to provide per-hour services as specified for an amount not to exceed \$55,000 through Dec. 31, 2013. Three-quarters of the total cost is reimbursable.

2. **Provide a detailed description of services/commodities to be provided by the vendor.** *(This information may be obtained from the scope of work prepared by the County and the vendor's proposal that provides a detailed description of the services/supplies). Attach additional sheet if necessary.*

The SECURE Multi-County Electronic Document Delivery System is co-owned by the counties of Orange, Los Angeles, Riverside and San Diego. This agreement provides for per-hour maintenance services as needed, plus knowledge transfer to Los Angeles County, which will be taking over maintenance of the SECURE software in 2012. However, Los Angeles County needs a transitional overlap period to ensure minimal problems, avoid downtime and address any unforeseen issues. SouthTech Systems Inc. is uniquely suited to handle this task in the most timely and cost-efficient manner. The SECURE system will continue to be hosted at the Orange County Data Center.

3. **Please state why the recommended vendor is the only one capable of providing the required supplies and/or commodities. Include any back-up information or documentation which supports your recommendation.** *(Acceptable responses to this question will include strong programmatical/technological information that supports the claim that there is only one vendor that can provide the services and/or commodities). Attach additional sheet if necessary.*

The vendor's knowledge of the Orange County Clerk-Recorder Department's data systems and the SECURE Multi-County Electronic Document Delivery System makes it uniquely suited to handle maintenance issues in the most cost-efficient manner. Orange County Chief Information Officer Mahesh Patel concurs that SouthTech has the most expertise and knowledge of the system to provide this service. Additionally, SouthTech can do so at a cost that would be far less than starting from scratch with a new, and less knowledgeable, vendor. The SECURE system will continue to be hosted at the Orange County Data Center.

4. Please list any other sources that have been contacted and explain in detail why they cannot fulfill the County's requirements. *(Responses to this section should include information pertaining to any research that was conducted to establish that the vendor is a sole source. Responses should include information pertaining to discussions with other potential suppliers and why they were no longer being considered by the County).* Answers to this section may be provided by the requestor and the Deputy Purchasing Agent as appropriate. Attach additional sheet if necessary.

Because of the unique nature of the SECURE software and SouthTech's role as a co-developer, SouthTech was the only vendor contacted to provide this service. SouthTech can provide this time-and-materials agreement at a much lower cost than another vendor without knowledge or understanding of the SECURE system.

5. How does recommended vendor's prices or fees compare to the general market? Attach quotes for comparable services or supplies, if available. Attach additional sheet if necessary.

SouthTech's rates for maintenance and knowledge transfer are competitive with industry standards. In addition, the cost for contracting with a new vendor that would have to learn the system would be much more costly and time-consuming.

6. If recommended vendor could not provide the product or service, how would the County accomplish this particular task? Attach additional sheet if necessary.

A different vendor would have to take the time and expense to understand the SECURE system, at considerable cost. If SouthTech could not provide this service, time, training and knowledge transfer costs -- to the new vendor, let alone Los Angeles County -- would delay the implementation of this agreement for an unforeseen amount of time and greatly increase the cost.

#### SECTION IV - AUTHOR/REQUESTOR

Signature:	Print Name: Renee Ramirez	Date:
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#### SECTION V - DEPUTY PURCHASING AGENT CONCURRENCE

Signature:	Print Name:	Date:
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#### SECTION VI - DEPARTMENT HEAD APPROVAL

Signature:	Print Name: Tom Daly	Date:
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#### SECTION VII - COUNTY PROCUREMENT OFFICE

County Procurement Office review and approval required when the value of the sole source agreement exceeds \$50,000. Approvals obtained electronically through BidSync.



COUNTY OF ORANGE  
OFFICE OF COUNTY CLERK-  
RECORDER  
TOM DALY



*Price Agreement for Time and Materials*  
*SECURE Software Maintenance/Knowledge Transfer*

Dec. 13<sup>th</sup>, 2011

*Prepared By:*



**SOUTHTECH**  
SYSTEMS

**E-Gov Solutions • Software Development**

**Electronic Document Management Systems**

4181 Flat Rock Drive, Suite 300

Riverside, California 92505

Phone (951) 354-6104

Fax (951) 354-6107

[www.southtechsystems.com](http://www.southtechsystems.com)



*County of Orange*

*County Clerk-Recorder SECURE System Maintenance*

## **PRICE AGREEMENT IDENTIFICATION SHEET**

The price agreement is submitted by SouthTech Systems, Inc. ([www.southtechsystems.com](http://www.southtechsystems.com))

Address: 4181 Flat Rock Drive. Suite #300, Riverside, CA 92505

Telephone Number: (951) 354-6104

Authorized Company Representatives: Jose Dominguez, President and Grant Gyulnazaryan, Vice President and CIO

Corporation Taxpayer Identification No. 51-0564578

## **Price Agreement for Time and Materials SECURE Software Maintenance**

*This price agreement for a SECURE software maintenance (hereinafter referred to as "agreement") is made and entered into as of the fully executed by and between SouthTech Systems, Inc. (hereinafter referred to as "Contractor"), and the County of Orange, a political subdivision of the State of California (hereinafter referred to as "County"). The term of this agreement is from December 2, 2011 through December 31, 2013.*

### **RECITALS**

WHEREAS, COUNTY desires to enter into a Price Proposal for a Time and Materials Maintenance Agreement of the SECURE Software.

WHEREAS, CONTRACTOR is willing to provide hourly software maintenance for the SECURE System in an amount **not to exceed \$55,000**; and

WHEREAS, County Board of Supervisors has authorized the purchasing agent or his designee to enter into a price proposal for the hourly software maintenance for the SECURE System; and

NOW, THEREFORE, the parties mutually agree as follows:

### **ARTICLES**

This agreement, including the following attachments, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this agreement. This agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties. The attachments are:

- a. Background
- b. Term of Contract
- c. Compensation
- d. General Terms and Conditions
- e. Scope of Work
- f. Professional Service Rates
- g. Additional Terms (also see Attachments 1 and 2)

## **BACKGROUND INFORMATION**

SouthTech Systems, Inc is the software development firm that initially developed the SECURE System and sold the software rights of SECURE to Orange County Clerk-Recorder. SECURE went live December 1<sup>st</sup>, 2009 by the Orange County Clerk-Recorder recording its first electronic recording Property Record via the SECURE System.

## **TERM OF CONTRACT**

The term of this contract is for two years, from Dec. 2, 2011, through Dec. 31, 2013.

## **COMPENSATION**

The Orange County Clerk-Recorder Department and/or County agree to compensate the Contractor in the amount not to exceed \$55,000.

## **GENERAL TERMS AND CONDITIONS**

**Governing Law and Venue:** This CONTRACT has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this CONTRACT, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange COUNTY, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another COUNTY.

**B. Entire Contract:** This CONTRACT, when accepted by the CONTRACTOR either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire CONTRACT between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing. Electronic acceptance of any additional terms, conditions or supplemental contracts by any COUNTY employee or agent, including but not limited to installers of software, shall not be valid or binding on COUNTY unless accepted in writing by COUNTY'S Purchasing Agent or his designee, hereinafter "PURCHASING AGENT."

**C. Amendments:** No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing.

**D. Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.

**E. Delivery:** Time of delivery of goods or services is of the essence in this CONTRACT. COUNTY reserves the right to refuse any goods or services and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed statement of work. Acceptance of any part of the order for goods shall not bind COUNTY to accept future shipments nor deprive it of the right to return goods already accepted at CONTRACTOR'S expense. Overshipments and undershipments of goods shall be only as agreed to in writing by COUNTY. Delivery shall not be deemed to be complete until all goods or services have actually been received and accepted in writing by COUNTY.

**F. Acceptance/Payment:** Unless otherwise agreed to in writing by COUNTY, 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, and tested to the satisfaction of COUNTY, and 2) payment shall be made in arrears after satisfactory acceptance.

**G. Warranty:** CONTRACTOR expressly warrants that the goods/services covered by this CONTRACT are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon CONTRACTOR'S part to indemnify, defend and hold COUNTY and its indemnittees as identified in paragraph "P" below, and as more fully described in paragraph "P", harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by COUNTY by reason of the failure of the goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

**H. Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this CONTRACT, CONTRACTOR shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this CONTRACT. CONTRACTOR warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, property right, or trade secret right of any third party. CONTRACTOR agrees that, in accordance with the more specific requirement contained in paragraph "P" below, it shall indemnify, defend and hold COUNTY AND COUNTY INDEMNITIEES harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorneys fees, costs and expenses.

**I. Assignment or Sub-Contracting:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this CONTRACT nor any portion thereof may be assigned or subcontracted by CONTRACTOR without the express written consent of COUNTY. Any attempt by CONTRACTOR to assign or sub-contract the performance or any portion thereof of this CONTRACT without the express written consent of COUNTY shall be invalid and shall constitute a breach of this CONTRACT.

**J. Non-Discrimination:** In the performance of this CONTRACT, CONTRACTOR agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subCONTRACTORs to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical

disability, mental disability, medical condition, marital status, or sex of such persons. CONTRACTOR acknowledges that a violation of this provision shall subject CONTRACTOR to all the penalties imposed for a violation of Section 1720 et seq. of the California Labor Code.

**K. Termination:** In addition to any other remedies or rights it may have by law, COUNTY has the right to terminate this CONTRACT without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of contract, any misrepresentation or fraud on the part of the CONTRACTOR. Exercise by COUNTY of its right to terminate the CONTRACT shall relieve COUNTY of all further obligation.

**L. Consent to Breach Not Waiver:** No term or provision of this CONTRACT shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

**M. Remedies Not Exclusive:** The remedies for breach set forth in this CONTRACT are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this CONTRACT does not preclude resort by either party to any other remedies provided by law.

**N. Independent CONTRACTOR:** CONTRACTOR shall be considered an independent CONTRACTOR and neither CONTRACTOR, its employees, nor anyone working under CONTRACTOR shall be considered an agent or an employee of COUNTY. Neither CONTRACTOR, its employees nor anyone working under CONTRACTOR shall qualify for workers' compensation or other fringe benefits of any kind through COUNTY.

**O. Performance:** CONTRACTOR shall perform all work under this CONTRACT, taking necessary steps and precautions to perform the work to COUNTY'S satisfaction. CONTRACTOR shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the CONTRACTOR under this CONTRACT. CONTRACTOR shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of COUNTY required in its governmental capacity, in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subCONTRACTORS.

**P. Indemnification and Insurance:**

**Indemnification Provisions:** CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies which COUNTY'S Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by CONTRACTOR pursuant to this CONTRACT. If judgment is entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

**Insurance Provisions:** Prior to the provisions of services under this contract, the CONTRACTOR agrees to purchase all required insurance at CONTRACTOR's expense and to deposit with the COUNTY Certificates of Insurance, including all endorsements required herein, necessary to satisfy the COUNTY that the insurance provisions of this contract have been complied with and to keep such insurance coverage and the certificates therefore on deposit with the COUNTY during the entire term of this contract. In addition, all subcontractors performing work on behalf of CONTRACTOR pursuant to this contract shall obtain insurance subject to the same terms and conditions as set forth herein for CONTRACTOR.

All self-insured retentions (SIRs) and deductibles shall clearly be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a 0 by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in an amount in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the COUNTY Executive Office (CEO)/Office of Risk Management.

If the CONTRACTOR fails to maintain insurance acceptable to the COUNTY for the full term of this CONTRACT, the COUNTY may terminate this CONTRACT.

**Qualified Insurer:** The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier).

Minimum insurance company ratings as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com** shall be A-(Secure Best's Rating) and VIII (Financial Size Category).

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier). If the carrier is a non-admitted carrier in the state of California and does not meet or exceed an A.M. Best rating of A-/VIII, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings. If the non-admitted carrier meets or exceeds the minimum A.M. Best rating of A-/VIII, the agency can accept the insurance.

This policy or policies of insurance maintained by the CONTRACTOR shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability with broad form property damage and contractual liability	\$1,000,000 combined single limit per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made or per occurrence
Sexual Misconduct Liability	\$1,000,000 per occurrence

#### **Required Coverage Forms**

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.



The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

**Required Endorsements**

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

- 1) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the COUNTY of Orange, its elected and appointed officials, officers, employees, agents as Additional Insured.
- 2) A primary non-contributing endorsement evidencing that the CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the COUNTY of Orange shall be excess and non-contributing.

All insurance policies required by this contract shall waive all rights of subrogation against the COUNTY of Orange and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the COUNTY of Orange, and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees.

All insurance policies required by this contract shall give the COUNTY of Orange 30 days notice in the event of cancellation and 10 days for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the Certificate of Insurance.

If CONTRACTOR's Professional Liability policy is a "claims made" policy, CONTRACTOR shall agree to maintain professional liability coverage for two years following completion of contract.

The Commercial General Liability policy shall contain a severability of interests' clause also known as a "separation of insured" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the CONTRACTOR fails to provide the insurance certificates and endorsements within seven days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

COUNTY expressly retains the right to require CONTRACTOR to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by COUNTY of Orange Risk Manager as appropriate to adequately protect COUNTY.

COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not deposit copies of acceptable certificates of insurance and endorsements with COUNTY incorporating such changes within thirty days of receipt of such notice, this Contract may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

**Q. Bills and Liens:** CONTRACTOR shall pay promptly all indebtedness for labor, materials and equipment used in performance of the work. CONTRACTOR shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, CONTRACTOR shall promptly procure its release and, in accordance with the requirements of paragraph "P" above, indemnify, defend, and hold COUNTY harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

**R. Changes:** CONTRACTOR shall make no changes in the work or perform any additional work without the COUNTY'S specific written approval.

**S. Change of Ownership:** CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR'S business prior to completion of this CONTRACT, the new

owners shall be required under terms of sale or other transfer to assume CONTRACTOR'S duties and obligations contained in this CONTRACT and complete them to the satisfaction of COUNTY.

**T. Force Majeure:** CONTRACTOR shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this CONTRACT caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided CONTRACTOR gives written notice of the cause of the delay to COUNTY within 36 hours of the start of the delay and CONTRACTOR avails himself of any available remedies.

**U. Confidentiality:** CONTRACTOR agrees to maintain the confidentiality of all COUNTY and COUNTY-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this CONTRACT. All such records and information shall be considered confidential and kept confidential by CONTRACTOR and CONTRACTOR'S staff, agents and employees.

**V. Compliance with Laws:** CONTRACTOR represents and warrants that services to be provided under this CONTRACT shall fully comply, at CONTRACTOR'S expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by COUNTY in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by COUNTY. CONTRACTOR acknowledges that COUNTY is relying on CONTRACTOR to ensure such compliance, and pursuant to the requirements of paragraph "P" above, CONTRACTOR agrees that it shall defend, indemnify and hold COUNTY and COUNTY INDEMNITEES harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.

**W. Freight (F.O.B. Destination):** CONTRACTOR assumes full responsibility for all transportation scheduling, packaging, handling, insurance, and other services associated with delivery of all products deemed necessary under this CONTRACT.

**X. Pricing:** The CONTRACT bid price shall include full compensation for providing all required goods, in accordance with required specifications, or services, as specified herein or when applicable, in the scope of services attached to this CONTRACT, and no additional compensation will be allowed therefore, unless otherwise provided for in this CONTRACT.

**Y. Waiver of Jury Trial:** Each party acknowledges that it is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this CONTRACT and/or any other claim of injury or damage.

**Z. Terms and Conditions:** CONTRACTOR acknowledges that it has read and agrees to all terms and conditions included in this CONTRACT.

**AA. Headings:** The various headings and numbers herein, the grouping of provisions of this CONTRACT into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.

**BB. Severability:** If any term, covenant, condition or provision of this CONTRACT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**CC. Calendar Days:** Any reference to the word "day" or "days" herein mean calendar day or calendar days, respectively, unless otherwise expressly provided.

**DD. Attorney Fees:** In any action or proceeding to enforce or interpret any provisions of this CONTRACT, or where any provisions hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.

**EE. Interpretation:** This CONTRACT has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this CONTRACT. In addition, each party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this CONTRACT by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal

decision that would require interpretation of any ambiguities in this CONTRACT against the party that has drafted it is not applicable and is waived. The provisions of this CONTRACT shall be interpreted in a reasonable manner to effect the purpose of the parties and this CONTRACT.

FF. **Authority:** The parties to this CONTRACT represent and warrant that this CONTRACT has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.

## SCOPE OF WORK

The following information summarizes the Scope of Work which SouthTech Systems will perform for the County of Orange Clerk-Recorder Department.

1. SouthTech Systems will provide hourly SECURE System maintenance and programming services, which will be known as "SECURE".
2. SouthTech Systems will provide technical; support for installing and testing the system at the County of Orange Clerk-Recorder's Department.
3. Analysis of the current SECURE System to provide technical feedback to the County of Orange Clerk-Recorder's Department.
4. Technical services will be provided by SouthTech Systems to complete system analysis, data conversion, system installation, system configuration, testing and implementation.
5. The hourly pricing for this project does not include the cost of travel, hotel and meals for SouthTech Systems staff that live more than 90 miles outside of the Orange County Clerk Recorder Department to perform the following anticipated onsite work at the Orange County Clerk-Recorder's Office. This includes:
  - Initial project planning meeting and review of scope of work
  - Discovery of system design requirements for data conversion, customization and system configuration for the "SECURE" System.
  - Review of configuration requirements.
  - System installation, final application configuration and testing at user site.
  - Technical services for Go Live with the "SECURE" System.

# PROFESSIONAL SERVICES RATES

SouthTech Systems

Professional Services Standard Rates

(Effective December 2nd, 2011)

Position Title	Prepaid Block of Hours			
	Contract	100-249	250-499	500 or more
	Rates	10% Discount	15% Discount	20% Discount
	Hourly Rates			
Principal Developer	\$ 187.50	\$ 168.75	\$ 159.38	\$ 150.00
Project Manager	\$ 150.00	\$ 135.00	\$ 127.50	\$ 120.00
Senior Programmer/Analyst	\$ 150.00	\$ 135.00	\$ 127.50	\$ 120.00
Programmer/Analyst	\$ 125.00	\$ 112.50	\$ 106.25	\$ 100.00
Trainer/Technical Support	\$ 93.75	\$ 84.38	\$ 79.69	\$ 75.00

## Notes:

1. Customers under an "Annual Software Subscription and Technical Support Agreement" are eligible for the Level 3 discounted rates(20%) for new development, enhancements and work requests.

2. Customers under an "Annual Customer Care Software Subscription and Technical Support Agreement" are eligible for fixed price agreements for large projects. A discount of 10 to 20% from standard professional service rates will be used to develop agreements. The discount rate generally reflects the total "blocks of hours" the service requires. These rates apply to enhancements and new development projects.
  - Level 1 - 10% discount (100 to 249 hours required)
  - Level 2 - 15% discount (250 to 499 hours required)
  - Level 3 - 20% discount (500 or more hours required)
3. Additional discounts may apply under "Partnership Development Agreements". These projects are jointly under taken by SouthTech Systems and a customer to develop new software products. Professional services rates may receive an additional discount for these projects in exchange for SouthTech Systems being granted the rights to the software for resale.
4. Contract Rates apply to customers not under any Annual Software or Technical Support Agreement. There is a 2 hour minimum for any Time and Materials Software Maintenance requests.
5. If a manager at SouthTech Systems is requested by customer to participate in any Time and Materials Software Maintenance requests, the Project Manager hourly rate shall be used in that case.
6. If a specific developer is requested for any Time and Materials Software Maintenance requests, the Principal Developer hourly rate shall be used.
7. If any SECURE associated ExtraView tickets or emails are submitted to the assigned developer, there is a one hour minimum charge in relation to any response.
8. If a call is made directly to the assigned developer or the assigned developer is asked to participate in a conf call, this event has a one hour minimum charge.



## **ADDITIONAL TERMS**

### **ORANGE COUNTY CHILD SUPPORT ENFORCEMENT**

#### **CERTIFICATION REQUIREMENTS**

The County requires all Contractors to comply with child support enforcement orders. Within 10 days of award of contract, the successful Contractor must furnish to the Contract Administrator, Purchasing Agent or the Clerk-Recorder Department Deputy Purchasing Agent:

- A. In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address;
- B. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity;
- C. A certification that the Contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and
- D. A certification that the Contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

The certifications will be stated as follows:

*"I certify that \_\_\_\_\_ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of Contract \_\_\_\_\_ with Orange County. I understand that failure to comply shall constitute a material breach of the contract and that failure to cure such breach within 10 calendar days of notice from the County shall constitute grounds for termination of the contract.*

It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders and for no other purposes and will be held confidential by those agencies.

Failure of the Contractor to timely submit the data and/or certifications required above or to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the contract. Failure to cure such breach within 10 calendar days of notice from the County shall constitute grounds for termination of the contract.

After notification of award, the successful Contractor may use the forms supplied herein, to furnish required information listed above.

County of Orange

County Clerk-Recorder SECURE System Maintenance

VENDOR AND COUNTY OF ORANGE

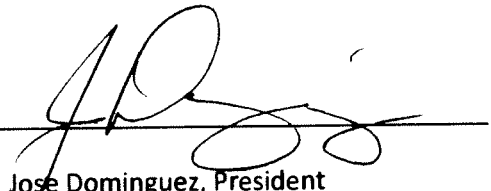
**CLERK-RECORDER DEPARTMENT**

SIGNATURE PAGE

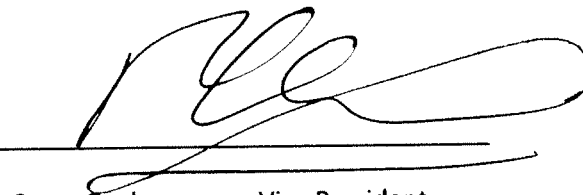
In Witness Hereof, the parties hereto have executed this Agreement on the dates shown opposite their respective signature below:

**VENDOR: SouthTech Systems, Inc., a California Corporation**

DATE: Nov 18, 2011

BY:   
Jose Dominguez, President

DATE: Nov 18, 2011

BY:   
Grant Gyulnazaryan, Vice President

**COUNTY OF ORANGE, a political subdivision of the State of California**

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

Tom Daly, Orange County Clerk-Recorder

**COUNTY OF ORANGE COUNTY COUNSEL APPROVED "AS TO FORM":**

DATE: 12/2/11

BY: Karen R. Prather

Signature and Title

Approved by Board of Supervisors on: \_\_\_\_\_

# ATTACHMENT 1

## ORANGE COUNTY CHILD SUPPORT ENFORCEMENT

### CERTIFICATION REQUIREMENTS

- A. In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address:

Name: (DO NOT COMPLETE AT THIS TIME)

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

- B. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity:

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

(Additional sheets may be used if necessary)

- C. A certification that the Contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and
- D. A certification that the Contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

*"I certify that \_\_\_\_\_ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of Contract \_\_\_\_\_ with Orange County. I understand that failure to comply shall constitute a material breach of the contract and that failure to cure such breach within 10 calendar days of notice from the County shall constitute grounds for termination of the contract.*

---

Date

Title

---

Authorized Signature

Name

## ATTACHMENT 2

Form <b>W-9</b> (Rev. November 2005) Department of the Treasury Internal Revenue Service	<b>Request for Taxpayer Identification Number and Certification</b>	Give form to the requester. Do not send to the IRS.					
Print or type last or type see Specific Instructions on page	(i) Name (as shown on your income tax return) _____ Business name, if different from above _____ Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other > _____ <input type="checkbox"/> Exempt from backup withholding Address (number, street, and apt. or suite no.) _____ Requester's name and address (optional) _____ City, state, and ZIP code _____ List account number(s) here (optional) _____						
<b>Part I Taxpayer Identification Number (TIN)</b>							
Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Social security number</td> </tr> <tr> <td style="text-align: center;"> <div style="display: flex; justify-content: space-around;"> <div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div><div>8</div><div>9</div><div>0</div> </div> </td> </tr> <tr> <td style="text-align: center;">or</td> </tr> <tr> <td style="text-align: center;">Employer identification number</td> </tr> <tr> <td style="text-align: center;"> <div style="display: flex; justify-content: space-around;"> <div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div><div>8</div><div>9</div><div>0</div> </div> </td> </tr> </table>			Social security number	<div style="display: flex; justify-content: space-around;"> <div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div><div>8</div><div>9</div><div>0</div> </div>	or	Employer identification number	<div style="display: flex; justify-content: space-around;"> <div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div><div>8</div><div>9</div><div>0</div> </div>
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<b>Part II Certification</b>							
Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. person (including a U.S. resident alien). Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; vertical-align: top;"> <b>Sign Here</b> </td> <td style="width: 55%; vertical-align: top;">         Signature of U.S. person &gt; _____       </td> <td style="width: 30%; vertical-align: top;">         Date &gt; _____       </td> </tr> </table>			<b>Sign Here</b>	Signature of U.S. person > _____	Date > _____		
<b>Sign Here</b>	Signature of U.S. person > _____	Date > _____					
<b>Purpose of Form</b> A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA. U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to: 1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued), 2. Certify that you are not subject to backup withholding, or 3. Claim exemption from backup withholding if you are a U.S. exempt payee. In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income. Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9. For federal tax purposes, you are considered a person if you are: <ul style="list-style-type: none"> <li>• An individual who is a citizen or resident of the United States,</li> <li>• A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or</li> <li>• Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.</li> </ul> Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income. The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases: <ul style="list-style-type: none"> <li>• The U.S. owner of a disregarded entity and not the entity,</li> </ul>							